

STATE OF INDIANA
DEPARTMENT OF LOCAL GOVERNMENT FINANCE
Indiana Government Center North
Room N1058
Indianapolis, Indiana 46204

IN THE MATTER OF THE NORTH WHITE SCHOOL)
CORPORATION, WHITE COUNTY, INDIANA, FOR)
APPROVAL OF A LEASE WITH THE NORTH WHITE) No. 07-043
SCHOOL BUILDING CORPORATION)

A petition was filed by the above named taxing unit for approval of a lease between the North White School Building Corporation, an Indiana nonprofit corporation, as lessor, and the North White School Corporation, White County, Indiana, as lessee, with an annual lease payment not to exceed \$408,456 ending no later than July 15, 2015, pursuant to such lease, and pursuant to IC 20-46-7-8, requiring such approval, a recommendation was received from the School Property Tax Control Board.

The Department of Local Government Finance ("Department"), pursuant to Executive Order 05-19, has reviewed the proposed lease and the project, and has applied the guidance set forth in the Guidance for Review of School Building Project Financing and the factors set forth in I.C. 20-46-7. The school has complied with the appropriate provisions of I.C. 6-1.1-20 and I.C. 20-46-7. After careful consideration of all facts, the Department finds the following:


1. North White School Corporation is located in White County, Indiana, and the school board is the duly organized entity responsible for the establishment and operation of North White School Corporation, White County.
2. The purpose of the lease rental agreement is to transfer energy savings contract payments from the Capital Projects Fund (CPF) to the Debt Service Fund (debt service). The effect of such a transfer, pursuant to Indiana Code chapter 36-1-12.5, is to free up approximately \$409,000 a year in the CPF and enable the school to spend that money on additional projects, like an HVAC project at one of its elementary schools.
3. The total project cost, as presented to the Department, is \$3,103,420.
4. School officials properly advertised and held a notice of preliminary determination hearing on June 18, 2007.
5. No remonstrance/petition was filed against the project.
6. The school's debt to assessed value ratio is one and sixty-eight hundredths percent (1.68%), not including this project.
7. The percentage persistence to graduation rate for the school corporation is 74.32%. The percentage graduation rate per Department of Education is 63.40%.

8. The estimated maximum tax rate impact of this project is \$0.0429, or 4.29¢ per \$100 of assessed valuation. This estimated maximum annual property tax rate impact on a \$100,000 house in the North White School Corporation taxing district for this project may reach \$22.31.
9. The school corporation's current debt service tax rate is \$0.3674, or 36.74¢ per \$100 of assessed valuation. This rate calculates out to an estimated annual property tax rate impact of \$191.05 on a \$100,000 house in the North White School Corporation taxing district.
10. The School Property Tax Control Board made a motion to approve a lease rental agreement with maximum annual payments of \$408,456 for eight (8) years which failed by a vote of 3-5.
11. The proposed project shifts money from one fund (CPF) to another fund (debt service) to free up money in the CPF so the school may spend even more money on additional school projects.
12. Also, as a result of the shift to debt service, the debt service tax rate will increase a little more than four cents in the first year; however, the CPF rate remains constant (\$0.2588) as opposed to being reduced.

WHEREFORE, based on the above findings, it is therefore ordered that North White School Corporation's request for an Order approving a lease between the North White School Building Corporation, an Indiana nonprofit corporation, as lessor, and the North White School Corporation, White County, Indiana, as lessee, with an annual lease payment not to exceed \$408,456, for a lease term ending no later than July 15, 2015, pursuant to such lease is hereby DENIED.

Dated this 3 day of December, 2007.

DEPARTMENT OF LOCAL GOVERNMENT FINANCE

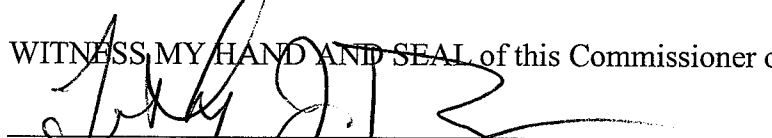

Cheryl A. W. Musgrave, Commissioner

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE

I, Timothy J. Rushenberg, General Counsel for the Department of Local Government Finance, do hereby certify that the above is a full, true, and complete copy of the order of the Commissioner made this date in the above-entitled matter.

WITNESS MY HAND AND SEAL of this Commissioner on this 3rd day of December, 2007.


Timothy J. Rushenberg, General Counsel